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DEPARTMENT OF THE INTERIOR
DIVISION OF SUBSISTENCE HOMESTEADS
FEDERAL SUBSISTENCE HOMESTEADS CORPORATION

INFORMATION ON SUBSISTENCE HOMESTEADS

The Subsistence Homesteads Division of the Department of the Interior is organized in accordance with Section 208 of the National Industrial Recovery Act to aid in the establishment of subsistence homesteads and to help in "the redistribution of the overbalance of population in industrial centers". The sum of \$25,000,000, as a revolving loan fund, was provided for this purpose. The Subsistence Homesteads Division is not an emergency relief agency, but an organization to aid in effecting long term economic readjustments.

Subsistence homesteads will, for the most part, consist of small plots of land on which people employed in industries, trades, or other occupations may own their homes and raise a portion of their food supply to supplement their cash income. Home food production should enable the homesteader to achieve a more satisfactory standard of living on a part time income than would otherwise be possible, as well as afford him a means of self-support in times of retarded industrial activity.

An attempt is also being made to aid in the solution of other problems, such as those presented by stranded industrial and agricultural populations.

The program of the Division of Subsistence Homesteads is being planned not according to State lines, but with reference to national economic regions in which particular problems present themselves. Projects are drawn up with the co-operation of the Agricultural Colleges and interested local agencies.

Applications for loans aggregate more than \$4,500,000,000. The Division of Subsistence Homesteads has therefore been forced to confine its activity to the establishment of selected demonstration projects throughout the country. The allocation of funds for projects to be included in this program is now practically completed.

When a plan for a subsistence homestead community is approved, a manager is appointed by the Division of Subsistence Homesteads to assume responsibility for the project. Individual families will purchase the homesteads on a long-term loan basis. The Division of Subsistence Homesteads does not, however, extend any direct loans to individuals to aid in buying farms or livestock, or homesteads outside of those located in the Division's projects.

Provision for some means of cash income is of vital importance in sub-

sistence homestead plans, so that interest and amortization payments may be met. Moreover, such cash income should come from sources other than the sale of agricultural products, for crops raised on subsistence homesteads are not as a rule intended for the market. In many cases homesteaders will derive their cash income by working in factories, stores, offices and other enterprises already established in the neighborhood. In other instances new industries or handicraft trades will be encouraged to provide the homesteaders a cash income. The Division does not, however, extend funds for the establishment of industries or commercial enterprises of any sort.

The selection of families who are to settle in homestead communities will be carried on under the direction of the project manager subject to the approval of the Division of Subsistence Homesteads. An announcement of the approval of each subsistence homestead project is made to the press. Families wishing to purchase subsistence homesteads should then apply directly to the manager of that project.